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C O N F I D E N T I A L SECTION 01 OF 02 PARIS 004141

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TAGS: PREL PGOV FR EUN SUBJECT: POLICY PLANNING CHIEF LEVY ON WHY AND WHAT NEXT OF EU CONSTITUTIONAL TREATY DEFEAT IN FRANCE

REF: PARIS 4119

Classified By: Political Minister Counselor Josiah B. Rosenblatt for re asons 1.4 (b) and (d).

- (C) SUMMARY: In a June 10 discussion with visiting acting NIC Chairman David Gordon and NIO for Europe Ambassador Richard Kauzlarich, Pierre Levy, the head of the MFA's policy planning staff, offered his assessment of the reasons for and implications of France's "no" vote on the EU constitutional treaty on May 29. Emphasizing that he was still in the process of analysing the situation, Levy nevertheless presented a thoughtful, balanced picture of where he sees France now. Levy noted that in the realm of public opinion, there had always been the radicals or fringe who would have said no. The new category, he said, was the category of people who voted "no" for/for Europe. Levy said the biggest issue for French leaders in the European arena now was to assess whether this was a crisis of maturity -- a growing pain in the Union's development -- or a deeper crisis of the European model itself. Levy characterized the June 16-17 European Council, as "crucial." He also echoed Chirac's calls to continue the treaty ratification process, saying, "We need a global picture of the problem." He acknowledged, however, that doing so righed another round of "re" a that "We need a global picture of the problem." He acknowledged, however, that doing so risked another round of "no"s that could spiral Europe deeper into crisis. END SUMMARY
- (C) Nearly two weeks having passed since the French said no to the EU constitutional treaty, Levy told his guests that he wanted to talk about the referendum -- first, he said, how to understand what happened, and second, what the French should do now. He said it was not easy to understand the "no" votes in France and the Netherlands -- because there were a mixture of issues behind people's votes. Levy noted that in the realm of public opinion, there had always been the radicals or fringe who would have said no -- he cited Charles Pasqua, Jean-Pierre Chevenement, and Philippe de Villiers as examples. The new category, he said, were the people who voted "no" for/for Europe. While some of them are not sincere, Levy said, some are.
- (C) Citing Zbigniew Brzezinski's adage that France seeks its reincarnation in Europe, and Germany its redemption, Levy said that for many years, "Europe" was a "bigger France" but that now French people are saying, "We don't recognize Europe—it doesn't look French any more." Describing this as a French "pathology," he noted many French voters were so upset Europe did not appear to be French any more that they felt the need to express themselves at the ballot box.
- 14. (C) Levy noted that the EU has reached a certain level of maturity -- with the single market, the euro, and the charter of fundamental rights -- and that people appeared to be upset they had not been consulted along the way, and had determined, as he put it, "that it's time to say something."
- ${ t \underline{1}}{ t 5}$. (C) Levy said the biggest issue for French leaders in the European arena now was to assess whether this was a crisis of maturity -- a growing pain in the Union's development -- or a deeper crisis of the European model itself, of how Europe should be constructed. Levy characterized the coming days, with the GAERC and, especially, the June 16-17 European Council, as "crucial," and he restated President Chirac's point that it is important to keep the ratification process going -- European leaders have to take into account the 10 states that have already ratified the treaty, he pointed out. "We need a global picture of the problem," he said. He acknowledged, however, that continuing risked another round of "no"s that could spiral Europe deeper into crisis.
- (C) On the question of enlargement, Levy said that European leaders "can't act as if nothing has happened."
 They have to be careful, he said, to show the public that the process is "under control." The decision in March not to let Croatia begin its talks as scheduled was important in this vein, he said. Levy said that he did not know whether Turkey would be ready to start negotiations in October as planned. He also noted that ratification of the Bulgarian and Romanian accession treaties will now come before the French parliament
 -- which he found ironic. Here is a question, he said, that,
 like the constitutional treaty itself, would normally be
 passed handily by the Parliament. Given the referendum

results, however, and the message that French voters had sent, he was not sure that the French ratification would be trouble-free. In answer to a question from Ambassador Kauzlarich about the damaging effect that the possible loss of the impetus for reform that derives from a realistic aspiration from EU membership, Levy assured: "We're deeply committed on the Balkans."

- 17. (C) Regarding the upcoming 2007-2013 budget negotiations, Levy said that they presented an opportunity for the Europeans to assess what they want as their priorities. "There is a stupid way and a clever way to look at the budget negotiations," he said. "The stupid way is to look only at the numbers, at the euros. The smart way is to discuss content of common policy." In response to the question of whether the crisis and apparent desire of EU public to focus on domestic problems would mean a drawdown in funds for EU external action, Levy responded that people wanted a Europe that was active on the international scene. The EU's role on the world stage would not be diminished. Levy also asserted that the EU has a "real problem of governance" on economic issues, which contributes in part, he believes, to the weak economic performance in many of the EU's big economies. "We've done monetary union but not economic union," he said.
- 18. (C) COMMENT: Levy, who served as chief of the MFA's Common Foreign and Security Policy unit from 2002 until earlier this year and as deputy director of the cabinet of then-Minister for Europe Pierre Moscovici from 1997 until 2002, acknowledged at one point that France's European policy planners are at something of a loss to know how to proceed in the wake of the referendum defeat. As architects of a policy they believed would benefit France and Europe, they are still attached to many of the institutional innovations contained in the constitution. The rejection of this very constitution by French voters, however, has left them wondering what it is the French want from Europe. Increasingly, they are concluding that their countrymen want to protect French jobs and social welfare benefits, and to move much more deliberately on future enlargements. END COMMENT.